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DISCUSSION

THE CURRENT STIUATION

- 6. The current military situation in Indochina remains one of stalemate. Since the publication of NIE-35: "Probable Developments in Indochina During the Remainder of 1951" dated 7 August 1951, the French have extended their Red River delta perimeter around Hanoi and Haiphong westward to Hos Binh, but the Viet Hinh have been vigorously counterattacking at various points since early December. (See Hap #1.) In the Hanoi-Haiphong delta area, 115,000 Franco-Vietnamese regular troops currently confront an estimated 90,000 Viet Hinh regular troops. Elsewhere in Indochina, guerrilla-type warfare continues and the Viet Hinh still control northern Tonkin, major portions of the Annan coast and parts of Cochinchina, Carbodia, and Laos. (See Hap #2.)
- 7. There has been a great improvement in the vigor, coordination, and effectiveness of recent Vict Minh attacks along the French perimeter in Tonkin. The Viet Minh have mounted a sustained frontal attack in the western delta area, and elsewhere in the delta have infiltrated one division and major elements of another behind the France-Victnamese positions

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in the central and southern parts of the delta where they are now conducting harassing operations. There has been a noticeable increase in Vict Minh antiaircraft capability in recent months. Although the Vict Minh have suffered heavy casualties and have been unable to achieve a major victory in Tonkin, they continue to attack and have forced the French to commit almost all of their Tonkin reserves to the operations along the western edge of the delta and against Vict Minh units which have infiltrated the area.

- 8. This increased capability reflects a considerable increase in Chinese Communist advisory, training, and logistic assistance to the Vict Minh. While there is no conclusive evidence that Chinese pursonnel, either in units or as individuals, are serving with Viet Minh combat units, there are an estimated 15,000 Communist Chinese with the Viet Minh serving in technical, advisory and garrison capacities. There has been considerable improvement of transportation routes and facilities from South China into Indochina. Chinese Communist logistic assistance to the Viet Minh via these routes is at an all time high, while stockpiles on both sides of the border are believed to be in excess of Viet Minh requirements for present operations.
- 9. Although French losses have been heavy, the combat effectiveness effectiveness of the French forces remains high. The combat effectiveness

of the Associated States' forces is for the most part not yet adequate to fit them for independent combat operations, and these forces are primarily performing static defense roles.

US MDAP aid has been of critical importance to the regular French forces during recent operations. Although the attrition rate in French equipment is high, MDAP logistic assistance

10° There has been little significant change in the political situation within Vietnam, the most important of the Associated States, since the publication of NTE-35, and the factors discussed in NTE-35 which limit the development of a strong Vietnamese government still apply. The death of General de Lattre has had an adverse effect upon Vietnamese morale as have indications that the French may be weakening in their determination to defend Indochina.

lio The spirits of the Viet Minh leaders have reportedly been raised by the recent death of General de Lattre, the expanded scale of Chinese Communist assistance, the debilitating effect which the sustained Viet Minh offensive has had upon the French, and the signs of a weakening Franco-Vietnamese will to resist. The trend of the Viet Minh away from a revolutionary

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is compensating for these losses.

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national movement and towards the pattern of a Communist regime continues with a consequent strengthening of internal control.

The food shortage is being alleviated by rice gained from within the French perimeter. There is no evidence of serious friction between the Vict Minh and the Chinese Communists.

VIET MINH AND FRANCO-VIETNAMESE CAPABILITIES AND PROBABLE COUNSES OF ACTION

- 12. We believe that the Viet Linh will probably be able to retake Hoa Binh and to continue to infiltrate the French lines in Tonkin, but will be unable further to reduce the French defense perimeter during the period of this estimate. Within this period the Viet Linh will probably find it necessary to slacken temporarily their current offensive effort, although the over-all combat effectiveness of the Viet Linh will almost certainly continue to improve. Elsewhere in Indochina, the Viet Linh will continue and will increase their terrorist and guerrilla tactics.
- 13. The French government is giving increased policy consideration to a reduction of its Indochinese commitments.

 There is a growing official feeling that France cannot simultaneously support presently projected military efforts in both Europe and Asia without greater US aid.

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The French now estimate that, with present US aid, the maximum 1952 military budget that is politically and economically possible will fall several hundred million dollars short of their projected requirements for MATO and Indechina together. Because of France's concern for its position in Europe vis-a-vis a reviving Germany, the French, if eventually forced to close between Europe and Indochina, might view their Indochina commitment as of lesser importance. Moreover, there has been a growing feeling that the distant and costly Indochinese war offers few rewards even if won. This feeling is increasing political pressure for some alleviation of the French burden in Indochina. The various approaches by which France may seek to a chieve this reduction of its commitments are: (a) by insisting that much of the financial burden for the defense of Indochina be shifted to the US: (b) by secking a US-UK commitment to participate in the defense of Indochina in the event of more active Chinese Communist intervention; or possibly (c) by including the issue of Indochina within the context of any general Far East settlement which might arise out of Korean negotiations. Should these approaches prove unsuccessful, the French may scriously consider direct negotiations with the Vict Minho

that a French military witherswal from Indochina is unlikely despite the

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